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AMENDMENT TO H.R. 4137, AS REPORTED**OFFERED BY MR. ~~MCKEON~~ OF CALIFORNIA****Student loan liquidity**

At the end of title VIII, add the following new section:

1 SEC. 814. SENSE OF CONGRESS REGARDING THE STUDENT**2 LOAN LIQUIDITY PROBLEM.**

3 (a) FINDINGS.—The Congress finds the following:

4 (1) There is no better investment than a higher
5 education for the citizens of the United States and
6 to assist in meeting the cost of that education.

7 (2) The current subprime mortgage crisis has
8 affected all assets, including quality assets, and is
9 now affecting federally guaranteed student loans
10 under the Federal Family Education Loans Pro-
11 gram (FFEL Program).

12 (3) The Chairman of the Federal Reserve in
13 testimony before the Committee on Budget in the
14 House noted that the rising rate of delinquencies of
15 subprime mortgages threaten to impose losses on
16 holders of even highly rated securities and investors
17 have started to question the reliability of the credit
18 ratings for a range of financial products and they

1 have become increasingly unwilling to hold these
2 types of investments.

3 (4) Confidence in the financial markets gen-
4 erally is imperative to ensuring that quality assets,
5 such as student loan asset-backed securities, remain
6 available and viable so as to prevent any disruption
7 in services to students who utilize the FFEL Pro-
8 gram to meet their higher education finance needs.

9 (5) With daily news reports of lenders leaving
10 the FFEL program or limiting their participation in
11 the program, it is crucial that we work together to
12 ensure that students have continued access to stu-
13 dent loans to pay for the cost of their postsecondary
14 education.

15 (b) SENSE OF CONGRESS.—At a time when our econ-
16 omy is fragile and higher education and retraining oppor-
17 tunities are more important than ever, it is the sense of
18 Congress that the Federal financial institutions and enti-
19 ties, such as the Federal Finance Bank, the Federal Home
20 Loan Bank, Federal Reserve and others, utilize available
21 authority in a timely manner to assist in insuring liquidity
22 and the availability of various financing mechanisms for
23 the purpose of bringing stability to the student loan mar-
24 ket place during this time of market unrest, ~~caused by the~~
25 ~~subprime mortgage market.~~